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RUEHAH/AMEMBASSY ASHGABAT 4263
RUEHTA/AMEMBASSY ASTANA 0477
RUEHEK/AMEMBASSY BISHKEK 4880
RUEHLM/AMEMBASSY COLOMBO 0732
RUEHKA/AMEMBASSY DHAKA 0513
RUEHDBU/AMEMBASSY DUSHANBE 0759
RUEHIL/AMEMBASSY ISLAMABAD 4460
RUEHBUL/AMEMBASSY KABUL 2751
RUEHKT/AMEMBASSY KATHMANDU 0771
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TAGS: [PGOV](#) [PREL](#) [KCRM](#) [EFIN](#) [ECON](#) [PINR](#) [UZ](#)
SUBJECT: UZBEKISTAN: KEY OFFICIALS CONFIDENT THAT
ANTI-MONEY LAUNDERING REGIME WILL PASS MUSTER

REF: A. TASHKENT 493
[1](#)B. DIA IIR 6 939 0047 08

Classified By: Political Officer Tim Buckley for reasons 1.4 (B,D)

[1](#)1. (C) Summary: On August 7 Charge Butcher and emboffs met with Ravshan Gulyamov, Executive Director of the Uzbekistan Fund for Reconstruction and Development, and Alisher Akmalov, Deputy Chairman of the Central Bank, to discuss Uzbekistan's preparations for a September assessment of its anti-money laundering policies by the Eurasian Group (EAG). The Government of Uzbekistan brought Gulyamov, a drafter of the original 2006 law, on board to help make the case that there is a robust anti-money laundering regime in place; his involvement in the issue bodes well for the prospects of Uzbekistan developing a conscientious action plan prior to the September assessment. Akmalov emphasized that Uzbekistan "very much wants to avoid inclusion on a blacklist," and added that experts are preparing a point-by-point analysis of how existing measures stack up to the 40 plus 9 recommendations. It is clear the Uzbeks understand the seriousness of the money laundering issue, and we expect them to present at least some policy changes to win over the visiting EAG team. End summary.

Background

[1](#)2. (C) Charge Butcher and emboffs met on August 7 with Gulyamov after learning about his renewed involvement in anti-money laundering and countering the financing of terrorism (AML/CTF) issues in Uzbekistan. Deputy Chairman of the Central Bank Akmalov, with whom we met on April 23 to discuss the issue (ref A), also was present at the government-organized meeting; per ref B, Akmalov is believed to be an influential officer within the National Security Service (NSS). While Akmalov may capably keep the financial

system moving behind the scenes and articulate the government's point of view, he is probably in over his head on technical issues, especially when faced with international scrutiny. Gulyamov, a polished English speaker, was one of the drafters of the 2006 anti-money laundering law -- the first in Central Asia -- and the Government of Uzbekistan brought him on board to be the point person in its efforts to convince the international community that there are still robust anti-money laundering measures in place despite the suspension of the law.

Suspended Law Was Not the Only Measure

¶3. (C) Gulyamov, in lockstep with other Uzbek officials, politely insisted that all suspicious transactions are still reported to the Financial Intelligence Unit within the Office of the General Prosecutor. He also restated Uzbekistan's tough stance on terrorism resulting from several attacks on Uzbek soil in the post-independence era that threatened the country's stability. When asked how he felt, as a drafter of the initial legislation, about the suspension of the law he helped create just one year after its passage, Gulyamov paused uncomfortably before consulting quietly with Akmalov. The response was consistent with earlier official answers that "the law was good but there were implementation issues" that became evident after the first six months. He said the law required authorities to examine and process "a huge number of transactions," and that the work had to be done manually, which disrupted the entire financial system. The suspension until 2013, he added, affords time to invite

experts to evaluate and fine-tune the monitoring system.

Will Submit Detailed Analysis to EAG

¶4. (C) Gulyamov assured the Charge that preparations are well underway for the September assessment visit by the EAG to Tashkent and promised "to submit detailed information on existing measures" to the team of experts. In particular, he said the Uzbeks will have point-by-point answers to how existing policies stack up with the 40 plus 9 recommendations. He complained that the Financial Action Task Force (FATF) seemed preoccupied by the suspension of the 2006 law and "never asked about our related policies." Gulyamov said he "is 100 percent confident" that Uzbekistan can convince international experts that it has an effective AML/CTF regime in place. He noted that, in the wake of the FATF cautions mentioning Uzbekistan, that numerous international banks (including JP Morgan Chase, American Express, and Deutsche Bank) have approached the Government of Uzbekistan to seek clarification, and he said they were satisfied by the response.

Avoiding the Black List

¶5. (C) Akmalov seemed content to let Gulyamov take the lead on discussing the issue, but he spoke up to say that "we very much want to avoid inclusion on a blacklist." He said they are taking the issue seriously and, in the course of examining their own policies in advance of the EAG visit, they will forward information about any vulnerabilities to the Office of the General Prosecutor so they can implement further safeguards into the system.

About the Fund

¶6. (SBU) Gulyamov previously served as a Deputy Chairman of the Central Bank but is now the Executive Director of the Fund for Reconstruction and Development of the Republic of Uzbekistan. He elaborated that it was established in 2006 "with the purpose to facilitate long-term development" projects, and he likened the entity to a "World Bank of Uzbekistan." The entity focuses on large capital projects that are too big for commercial banks, such as railroad, oil,

and gas infrastructure. The Fund falls under the purview of the Cabinet of Ministers and has USD five billion of capital.

Comment:

17. (C) Although the stock explanations as to why Uzbekistan suspended its anti-money laundering law remain unchanged, it bodes well that the Government of Uzbekistan has tapped Gulyamov to be its point person in handling the issue. He is an intelligent, seasoned banker who knows what the international community expects and can convey this to the right people in the government. Gulyamov and Akmalov are well aware that the EAG assessment in September will be an important precursor to the October FATF meeting, and they also understand the same smoke and mirrors will not keep the country out of trouble forever. We believe they might make a few substantive reforms just in time to present to the EAG team along with the detailed analysis of other existing measures -- which do exist -- in an effort to win over the experts.

BUTCHER